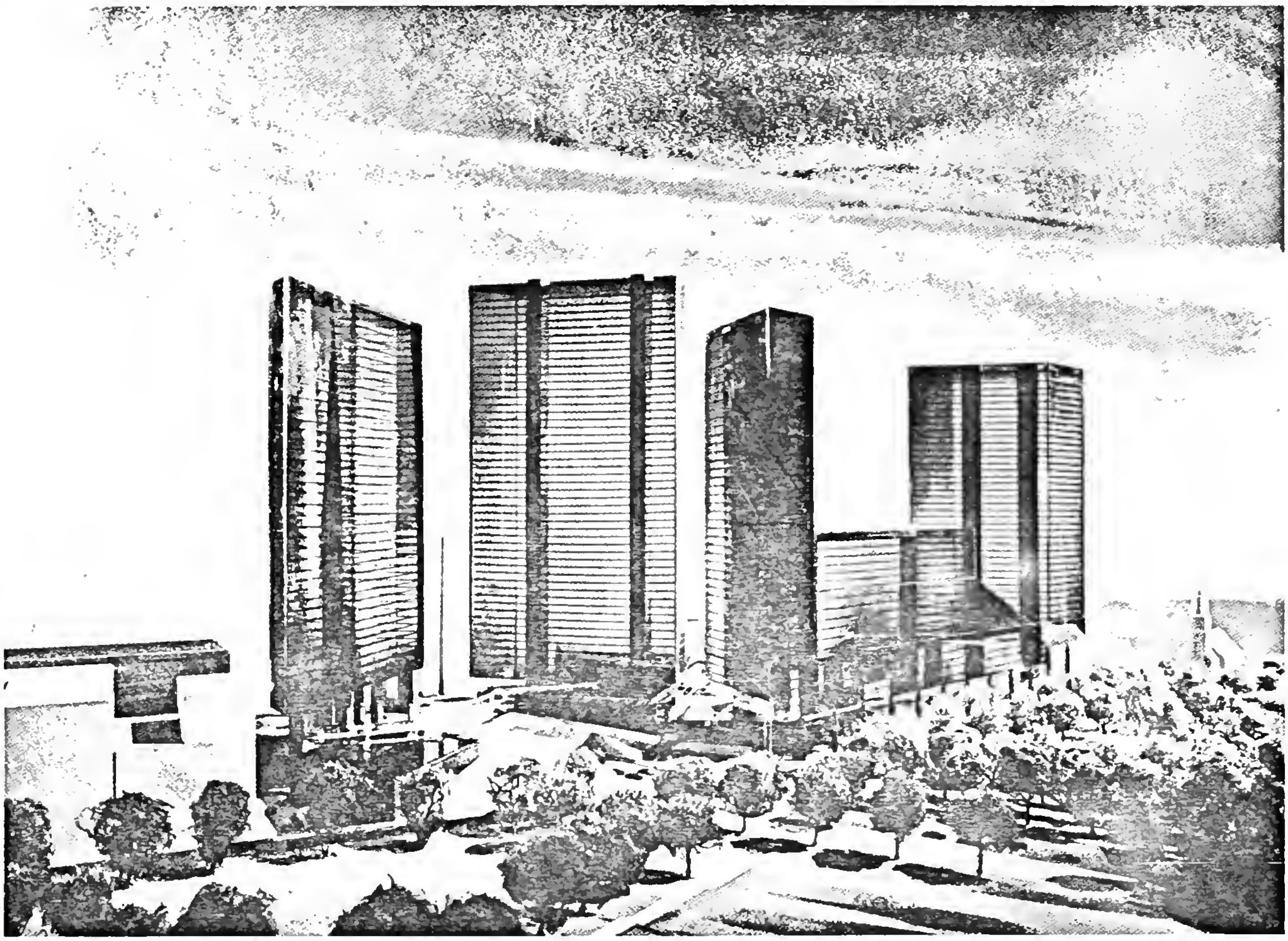
Boston Urban Associates

PARK PLAZA



RETAIL OPPORTUNITIES

Gladstone associates
ECONOMIC CONSULTANTS

GLADSTONE ASSOCIATES
ECONOMIC CONSULTANTS
1750 PENNSYLVANIA AVENUE, NORTHWEST | WASHINGTON, D. C. 20006 | 202-298-7000

October 6, 1971

Mr. Edward H. Linde
Executive Vice President
Boston Urban Associates
One Boston Place
Boston, Massachusetts 02108

Dear Ed:

This letter is in response to a question asked Bob Gladstone by Councilor Saltonstall during the Park Plaza hearing on September 28. The question concerned the office space estimates used in forecasting future office employment in Central Boston.

The Central Boston office space forecasts are based upon an analysis of the existing office inventory and anticipated net increases -- new construction less demolition -- in the area during the 1970's. Specifically, the 1970-1975 estimates reflect actual and potential new construction, while the 1975-1980 forecast is based upon estimated absorption levels and reflects an anticipated response to the current, temporary over supply condition. Demolition estimates during the two periods have been based upon past levels with specific allowances made for the removal of existing, low quality space in connection with the redevelopment of Park Plaza.

The estimated office space and office employment for 1970, 1975 and 1980 are set forth in Table 1 (attached) by sub-market area for Central Boston. We have projected a 6.3 million square foot increase in Central Boston office space between 1970 and 1975, which is somewhat less than the level of new construction of major office buildings in Central Boston (see Table 2, attached), exclusive of increases in quality office space now proposed or due to rehabilitation, conversion, and the construction of less-than-major buildings. The anticipated office space increase is, we believe, realistic and reflects both likely absorption levels and demolition estimates.

Estimated increases in the Central Boston office inventory during the second half of the 1970's, amount to 3.2 million square feet. The 1975-1980 forecast anticipates only a moderate level of development in response to a temporary condition of over supply. For example, on an

average-annual basis, the 1975-1980 level of increase represents only two-thirds of <u>actual</u> experience in the 1963 to 1970 period.

In sum, the office space and employment estimates set forth in the Park Plaza retail report reflect specific supply and demand factors which will affect the Boston office market in the period ahead and were not based upon the extrapolation of past trends.

Should you or the City Council require further information concerning our market studies for the Park Plaza site, please do not hesitate to contact us.

Very truly yours,
GLADSTONE ASSOCIATES

Richard E. Bonz
Senior Associate

Enclosures: 2

Table 1

ESTIMATED OFFICE SPACE AND OFFICE EQUIPMENT
BY MARKET AREA, CENTRAL BOSTON
1970 TO 1980

	Primary Area 1/		Secondary Area 2/		Central Boston Total	
	Office Space (000 S.F.)	Office Employment	Office Space (000 S.F.)	Office Employment	Office Space (Million S.F.)	Office Employment
1970	5,900	40,900	20,100	133,200	26,000	174,100
1975	7,600	48,000	24,700	156,600	32,300	204,600
1980	8,000	51,900	27,500	178,200	35,500	230,100

1/ Offices located within one-half mile of site, requiring not more than a 10 to 15 minute trip from office to Park Plaza retail complex.

2/ Offices located between one half and one mile of site and requiring not more than a twenty to twenty-five minute trip from the office to Park Plaza.

Source: Gladstone Associates; Building Authorizations; and interviews

Table 2

PROJECTED OFFICE BUILDINGS IN CENTRAL BOSTON
SCHEDULED FOR COMPLETION AFTER 1970

Building/Developer	Estimated Occupancy Date	Building Area In Square Feet
Under Construction or Completed		
First National Bank	1971	1,100,000 Sq. Ft.
Keystone Building	1971	775,000 Sq. Ft.
#1 Beacon Street	1972	1,100,000 Sq. Ft.
John Hancock Building	1972	1,700,000 Sq. Ft.
Christian Science Church Administration Bldg.	1972	410,000 Sq. Ft.
State Health Welfare & Education Building	1973	850,000 Sq. Ft.
Subtotal		5,835,000 Sq. Ft.
Proposed Construction		
Federal Reserve Building	1974	1,100,000 Sq. Ft.
Cabot, Cabot & Forbes	1973	900,000 Sq. Ft.
Subtotal		1,900,000 Sq. Ft.
Total Proposed, Under Construction, and Completed Buildings		7,735,000 Sq. Ft.

RETAIL OPPORTUNITIES

PARK PLAZA SITE

Prepared For:

BOSTON URBAN ASSOCIATES

August 3, 1971

Gladstone Associates
Economic Consultants
Washington, D.C.

GLADSTONE ASSOCIATES

ECONOMIC CONSULTANTS

1750 Pennsylvania Avenue, Northwest | Washington, D. C. 20006 | 202-298-7000

August 20, 1971

Mr. Edward H. Linde
Executive Vice President
Boston Urban Associates
1 Boston Place
Boston, Massachusetts 02102

Dear Mr. Linde:

This memorandum examines the retail development opportunities at your Park Plaza site in Boston, Massachusetts. The memorandum summarizes our analysis of the market parameters and opportunities available to you and presents a recommended retail development program for your site.

The focus of this analysis is primarily upon shopper's goods retail expenditures -- purchases in department stores, apparel and accessories stores, and furniture and home furnishing stores -- since this category of retail sales will be the mainstay of the retail complex.

Our key findings are outlined below and are discussed in detail in the following pages:

> The site, situated between two strong retail areas (the Central Business District and the Back Bay-Prudential Center area), is readily accessible to the major sources of downtown retail demand.
>
> By creating a unique retail program -- mix of store types and physical setting -- Park Plaza could attract a significant volume of suburban retail expenditures in addition to a large volume of sales to city residents and office employees.
>
> The site could attract sufficient retail expenditures to support nearly 400,000 square feet of shopper's goods space by 1980 at relatively high productivity levels averaging $145 per square foot.

To facilitate your review, the report is organized in three major sections:

- Report Highlights, summarizing the market findings and program recommendations.

- Market Factors, an analysis of the retail experience in downtown Boston and the key market factors effecting downtown retail sales.
- Site Potentials, an analysis of the potential sources of demand and retail program recommendations for the Park Plaza site.

It has been a pleasure to undertake this challenging assignment for you and should you have any questions regarding the material covered in this report, please do not hesitate to contact us.

Very truly,

GLADSTONE ASSOCIATES

Richard E. Bonz
Senior Associate

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SECTION I.

MARKET HIGHLIGHTS

SECTION I. MARKET HIGHLIGHTS

1. Between 1958 and 1970, estimated shopper's goods retail expenditures -- purchases in department stores, apparel and accessory stores, and furniture and home furnishings stores -- increased moderately in the Boston Central Business District despite strong competition from major suburban shopping centers.

2. In percentage terms, however, the Central Business District received a declining share of the Boston Metropolitan Area's total retail expenditures as the suburbanization of retailing continued to increase during the period.

3. The 1958 to 1970 period saw a trend toward retail dominance by major department stores and key specialty shops in downtown Boston. In fact, by 1967 two major department stores -- Jordan Marsh and Filene's -- accounted for more than 60 percent of all shopper's goods sales in the Central Business District.

4. The continued success of major department and specialty stores in the Central Business District, the Boylston-Newbury Street area of the Back Bay, and the Prudential complex shows that the city remains a potentially strong retail location.

5. Four distinct market components, or purchaser groups, were identified in the downtown retail market. Since the retail potentials at the Park Plaza site will reflect the same market factors affecting the downtown, purchases by these four market components -- downtown office employees, city residents, suburban residents, and

persons living beyond metropolitan Boston -- were analyzed in detail and future retail potentials estimated.

6. Total retail expenditures among the identified market components will increase dramatically during the decade with gains in population, office employment, and incomes, and an opportunity exists for the downtown and the Park Plaza site to capture a greater share of retail expenditures.

7. The Park Plaza site is well located to tap the growth retail expenditures of the identified market components -- downtown office employees, city residents, suburban residents, and persons living outside the Boston metropolitan area.

8. The development of the proposed Park Plaza retail complex will connect two strong retail areas -- the Central Business District and the Back Bay - Prudential Center area -- and, thus, will enhance the overall attractiveness of Boston in the metropolitan and regional retail market.

9. By creating a unique retail climate Park Plaza could attract a significant volume of suburban retail expenditures in addition to a large volume of sales to the city residents and office employees. We recommend, therefore, that the complex contain a variety of specialty stores and boutiques anchored by a major, specialty department store not presently serving the metropolitan area. Several large quality specialty stores should also

be included in the complex. An illustrative mix for the Park Plaza retail complex is set forth below.

Table I-1. ILLUSTRATIVE RETAIL MIX
PARK PLAZA SITE

Store Type	Possible Space Requirements (leasable square feet)
Major Specialty Department Store	100,000 - 120,000 s.f.
Large Specialty Retailers	80,000 - 100,000 s.f.
Apparel Stores: Men's Wear, Women's Wear Specialty Shops, Furs, Shoes, Bridal, Fashion, etc.	70,000 - 80,000 s.f.
Miscellaneous Specialty Retailers: Luggage, Jewelry, Music, Books, Camera, Imports, Antiques, etc.	45,000 - 50,000 s.f.
Furniture	40,000 - 45,000 s.f.
Subtotal	(335,000)-(395,000) s.f.
Convenience: Drugs, Specialty Foods, Wine & Cheese Tobacco, Candy, Florists, Personal Services, etc.	35,000 - 45,000 s.f.
Miscellaneous Services: Banks, Stockbrokerage, Savings & Loan, Decorator, Travel, etc.	15,000 - 25,000 s.f.
Restaurants and Cafeteria:	25,000 - 50,000 s.f.
Subtotal	(75,000)-(120,000) s.f.
Total	410,000 - 515,000 s.f.

10. The detailed market analysis contained in this report shows sufficient potential demand to support the proposed shopper's goods complex at relatively high productivity levels averaging $127 per square foot in 1975 and $147 in 1980. The two major sources of demand at the proposed Park Plaza retail complex are anticipated to be upper income suburban residents, accounting for approximately 40 percent of sales, and upper income city and site residents who are expected to account for 35 percent of sales.

Table 1-2.

SUMMARY OF SHOPPER'S GOODS SALES POTENTIALS AT PARK PLAZA SITE

(All dollar amounts estimated in current dollars[1/])

Market Component	1975 Estimated Sales Potentials (in thousands)	1975 Supportable Retail Space[2/] (Leasable Sq. Ft.)	1990 Estimated Sales Potentials (in thousands)	1990 Supportable Retail Space[2/] (Leasable Sq. Ft.)
Core Office Employees[3/]	$ 7,050	55,000 s.f.	$ 9,350	65,000 s.f.
Upper Income City Residents[4/]	$13,200	103,000 s.f.	$19,000	131,000 s.f.
Site Residents	$ 250	2,000 s.f.	$ 1,150	8,000 s.f.
Upper Income Suburban Residents	$17,500	137,000 s.f.	$21,300	148,000 s.f.
Inflow[5/]	$ 4,900	33,000 s.f.	$ 6,000	43,000 s.f.
Total	$42,900	335,000 s.f.	$57,000	395,000 s.f.

1/ Assumes an annual 3.5 percent inflationary factor during 1970-1990 period.

2/ Estimated at approximately $127/sq.ft. in 1975 (major tenant with 31% of space at $110/sq.ft. specialty stores with 69% of space $135/sq.ft. increasing to an average of $145/sq.ft. in 1990.

3/ Includes estimated purchases by city and suburban residents who are employed in downtown office buildings.

4/ Excludes expenditures attributable to office employees.

5/ Sales to persons who live outside of Metropolitan Boston.

Source: Gladstone Associates.

SECTION II.

MARKET FACTORS

SECTION II. MARKET FACTORS

The Park Plaza site is located at the edge of the Boston Central Business District, and, therefore, retail opportunities at the site will reflect the same market factors affecting the Central Business District. This section examines these market factors and the retail experience of the Boston Central Business District.

The focus of this section is primarily upon shoppers goods experience and potentials since this category of merchandise will be the mainstay of the Park Plaza retail site. Trends in shoppers goods sales are examined, components of demand analyzed, and future shoppers goods potentials are forecast for the Central Business District.

Central Business District Trends

Retail sales data for 1958, 1963, and 1967 show moderate increases in retail volumes in the Bdston Central Business District. These increases were primarily due to strong shoppers goods gains during the 1963 to 1967 period which offset earlier shoppers goods loses and declines in convenience and miscellaneous retail sales.

Table II-1 SUMMARY OF RETAIL SALES TRENDS
BOSTON CENTRAL BUSINESS DISTRICT

(All amounts in millions of current dollars)

	1958	1963	1967
Shoppers Goods	$280.1	$278.5	$294.9
Selected Convenience Goods	$ 54.1	$ 57.1	$ 51.1
Miscellaneous Retail Sales	$ 51.6	$ 46.3	$ 46.7
Total	$385.8	$381.9	$392.7

Source: U.S. Census Data.

In overall terms, shoppers goods sales increased by $15 million, or 5 percent during the 1958-1967 period. Both convenience goods sales and miscellaneous retail sales in the Central Business District declined during the period, although selected convenience sales peaked sharply during 1963.

An examination of the components of the shoppers goods, convenience goods, and miscellaneous retail categories provides a more complete picture of retail trends during the 1958 to 1967 period. As evidenced in Table II-2, general merchandise sales -- primarily department store sales -- increased dramatically during the 1963 to 1967 period, and by 1967 accounted for nearly 60 percent of the central business district's retail sales. Other shoppers goods sales exhibited a total decline over the nine year period despite a slight rebound for apparel and accessory store sales during 1963 to 1967.

Table II-2. RETAIL SALES TRENDS
BOSTON CENTRAL BUSINESS DISTRICT
1958, 1963, and 1967

(All amounts in thousands of current dollars)

	Retail Sales 1958	1963	1967	Average Annual Change 1958 - 63	1963 - 67
Shoppers Goods					
General Merchandise	$201,702	$205,436	$222,112	+ 747	+ 4,169
Apparel & Accessories	$ 57,593	53,141	53,950	- 890	+ 212
Furniture, Home Furnishings and Equipment	$ 20,768	$ 19,879	$ 18,820	- 178	- 265
Subtotal	$280,063	$278,456	$294,922	- 321	+ 4,116
Selected Convenience Goods					
Eating & Drinking Places	$ 49,133	$ 51,877	$ 47,175	+ 539	- 1,175
Drugs & Proprietary	$ 4,958	$ 5,252	$ 3,950	+ 55	- 321
Subtotal	$ 54,141	$ 57,112	$ 51,125	594	1,497
Miscellaneous Retail					
Liquor Stores	$ 7,911	$ 8,685	$ 6,155	+ 149	- 633
Sporting Goods & Bicycle Shops	$ 564	$ 1,308	402	+ 145	- 227
Jewelry Stores	$ 14,958	$ 13,429	$ 16,703	- 306	+ 840
Florists	$ 633	$ 531	$ 563	- 20	+ 8
Other	$ 27,452	$ 22,341	$ 27,741	-1,022	+ 100
Subtotal	$ 51,568	$ 46,294	$ 46,649	-1,054	+ 88
Total	$385,772	$381,862	$392,596	- 781	+ 2,707

Source: U. S. Census

The selected convenience goods gains noted in the 1958-1963 period were due primarily to increases in restaurants and cafeteria sales During the 1963-1967 period, however, all convenience goods sales volumes declined to a level below that evidenced nine years earlier.

Miscellaneous retail sales--including liquor store, sporting goods, jewelry store, and florist sales -- declined by $5 million between 1958 and 1963 and remained relatively stable during the 1963-1967 period, with gains in jewelry stores sales offsetting major declines in liquor and sporting goods store volumes.

Share of Metropolitan Retail Sales

Between 1958 and 1967 suburban retail sales increased more rapidly than the retail sales in the Boston Central Business District and as a result the CBD's share of total metropolitan area sales declined from 23.3 percent in 1958 to 15.8 percent in 1967.

Most important were changes in shopper's goods sales where the Central Business District's capture of metropolitan area shopper's goods expenditures declined from 34 percent in 1958 to less than 22 percent in 1967, reflecting an average annual loss of 2 percent. The losses in the share of merchandise expenditures was attributable to the continuing suburbanization of shopper's good retailing through the location branch department stores in suburban areas.

Table II-3. BOSTON CENTRAL BUSINESS DISTRICT SHARE OF METROPOLITAN AREA RETAIL SALES IN 1958, 1963, and 1967

	CBD Percent Share of Metro Sales		
	1958	1963	1967
Shoppers Goods			
General Merchandise	47.7%	36.4%	28.5%
Apparel and Accessories	22.2%	19.9%	16.5%
Furniture, Home Furnishings and Equipment	14.0%	11.7%	7.4%
Selected Convenience Goods			
Drug & Propriety	4.4%	3.9%	2.6%
Eating and Drinking	16.3%	15.7%	10.8%
Miscellaneous Retail Establishments			
Liquor	5.8%	6.3%	3.7%
Sporting Goods & Bicycle Shops	6.1%	13.8%	2.9%
Jewelry	45.8%	41.1%	37.2%
Florists	4.6%	3.8%	2.9%
Other	12.2%	8.0%	7.7%
Share All Categories	23.2%	19.6%	15.8%

Source: U. S. Census

Shopper's Goods Trends

Despite only moderate increases in the Central Business District's shopper's goods sales and a continuing suburbanization of shopper's goods expenditures, the major downtown department stores continued to prosper during the 1958-1967 period. As evidenced in Table II-4, sales of 5 major, general merchandise stores in downtown Boston increased by nearly $34 million between 1958 and 1967, with virtually all of the gains being registered by Jordan Marsh and Filene's.

The dramatic increase in sales volumes at Jordan Marsh between 1958 and 1963 reflects both their expansion program during the period and the capture of sales of the formally competitive White's department store in the downtown which closed during the period.

Table II-4. DEPARTMENT STORE SALES TRENDS
DOWNTOWN BOSTON
1958-1967

(All Dollar Figures in Current Dollars)

	Estimated Annual Sales (in millions)					
	1958	1963	1964	1965	1966	1967
Jordan Marsh	$85.7	$98.9	$100.0	$100.0	$100.0	$100.0
Filene's	$59.0	$57.2	$ 66.0	$ 75.0	$ 78.0	$ 80.0
Gilchrist's	$13.9	$12.9	$ 12.0	$ 12.0	$ 12.0	$ 13.0
Raymond's	$12.9	$12.8	$ 12.5	$ 11.5	$ 11.5	$ 11.5
R.H. Stearns	$ 6.5	$ 6.9	$ 6.9	$ 6.9	$ 7.1	$ 7.1
Subtotal	$178.0	$188.7	$197.4	$205.4	$208.6	$211.6

Note: No comparative figures are available for Bonwit-Teller, whose 1969 sales are estimated at $4-5 million.

Source: Fairchild Publications, unpublished U.S. Census Data and Gladstone Associates.

The five major department stores continue to account for an increasing share of the the CBD's retail sales and by 1967 accounted for nearly 54 percent of all retail sales and more than 70 percent of all shoppers' goods sales. In fact, the two major department stores--Filene and Jordan Marsh--account for more than 60 percent of all shoppers' goods sales in downtown Boston.

Table II-5. MAJOR DEPARTMENT STORES SALES
AS PERCENT OF CENTRAL BUSINESS DISTRICT SALES
BY CATEGORY OF SALES
1958, 1963, and 1967

	Percent of CBD Sales Attributable to Major Department Stores		
Category of Sales	1958	1963	1967
General Merchandise Stores	88.2%	92.5%	95.3%
All Shoppers Goods Stores	63.5%	68.1%	71.8%
All CBD Stores	46.1%	49.8%	53.9%

Note: Major Stores include: Jordan Marsh; Filene's; Gilchrists'; Raymond's, and Sterns.

Source: Fairchild Publications, U.S. Census Data, and Gladstone Associates.

With the increasing domination of major department stores in the downtown, there has been a subsequent decline among specialty stores both in number and sales volume. Between 1958 and 1967 the number of speciality stores in the Central Business District declined by 35 percent with over one half of these losses among apparel and accessory stores.

Table II-6. TRENDS IN SPECIALTY GOODS STORES IN THE BOSTON CENTRAL BUSINESS DISTRICT 1958, 1963, 1967

	Number of Stores			Total Change	
	1958	1963	1967	1958 to 1963	1963 to 1967
Apparel and Accessory Stores					
Women's Clothing	97	85	73	-11	-13
Men's and Boys Clothing	60	50	30	-10	-20
Family Clothing	6	12	7	+ 6	- 5
Shoe Stores	76	59	52	-17	- 7
Other Apparel-Accessory Stores	37	26	8	-11	-18
Sub total	276	233	170	-43	-63
Furniture					
Furniture	42	33	15	- 9	-18
Home Furnishings	15	10	6	- 5	- 4
Household Appliances	39	41	34	+ 2	- 7
Sub-total	96	84	55	-12	-29
Other Stores					
Liquor Stores	30	31	18	+ 1	-13
Sporting Goods - Bicycle	6	9	5	+ 3	- 4
Jewlery	105	82	91	-23	+ 9
Florists	14	15	8	+ 1	- 7
Sub-total	155	137	122	-18	-15
TOTAL	527	454	347	-73	-107

Source: U. S. Census data.

Similar trends in the number of speciality retail establishments are noted for the entire Boston Metropolitan Area as noted in Table II-7. As was the case in the Boston CBD, more than 60 percent of the decline in the number of specialty establishments between 1958 and 1967 was due to the closing of apparel and accessory stores.

Table II-7.

TRENDS in the NUMBER of SPECIALITY RETAIL ESTABLISHMENTS
BOSTON METROPOLITAN AREA
1958, 1963, 1967

TYPE OF STORE	NUMBER OF ESTABLISHMENTS			TOTAL CHANGE	
Apparel and Accessory Stores	1958	1963	1967	1958-1963	1963-1967
Women's Ready to Wear	385	346	364	-39	+18
Millinery Stores	69	64	55	- 5	- 9
Corset and Lingerie	72	40	34	-32	- 6
Other Women's Accessory Speciality Stores	70	91	73	+21	-18
Furriers and Fur Stores	53	50	45	- 3	- 5
Men's-Boys' Clothing except Footwear	275	254	214	-21	-40
Custom Tailors	39	21	14	-18	- 7
Family Clothing Stores	133	110	101	-23	- 9
Men's Shoe Stores	51	46	46	- 5	
Women's Shoe Stores	93	101	94	+ 8	- 7
Children's and Juveniles	7	14	14	+ 7	
Family Shoe Stores	234	213	196	-21	-17
Children's and Infants' Wear Stores	88	61	38	-27	-23
Miscellaneous Apparel and Accessory Stores	6	5	5	- 1	
Subtotal	1572	1411	1289	-161	-123
Furniture, Home Furnishings and Equipment					
Floor Coverings	111	114	108	+ 3	- 6
Furniture Stores	334	295	294	-39	- 1
Drapery Curtain and Upholstery Stores	63	57	42	- 6	-15
Household Appliance Stores	179	170	170	- 9	
Radio and Television Stores	134	129	127	- 5	- 2
Record Shops	43	52	51	+ 5	+14
Musical Instrument Stores	32	37	51	+ 5	+14
China Glassware and Metalware Stores	10	13	23	+ 3	+10
Miscellaneous Home Furnishings Shops	44	33	31	-11	- 2
Subtotal	950	900	879	-50	-21
Miscellaneous Retail Stores					
Liquor Stores	678	695	650	+17	-45
Antique Stores	34	25	28	- 9	+ 3
Sporting Goods Stores	52	68	73	+16	+ 5
Bicycle Shops	13	13	18		+ 5
Jewelry Stores	237	214	218	-23	+ 4
Florists	184	178	192	- 6	+14
Cigar Stores and Stands	79	85	121	+ 6	+36
Book Stores	48	52	71	+ 6	+36
Stationery Stores	155	150	136	- 5	-14
News Dealers and Newsstands	129	120	71	- 9	-49
Hobby Toy and Game Shops	49	46	56	- 3	+10
Camera and Photo Supply Stores	58	68	48	+10	-20
Gift Novelty & Souvenir Shops	171	106	125	-65	+19
Optical Goods Stores	56		51		
Candy Nut and Confectionery	72	100	76	+23	-24
Retail Bakeries	375	383	379	3	- 4
Other Food Stores (Coffee, tea, spices, health food)	12	22	10	+10	-12
Other Miscellaneous	228	163	192	-65	+29
Subtotal	2574	2498	2464	-76	-34
Total	5096	4809	4631	-287	-178

Source: U. S. Census of Business, 1958, 1963, 1967

Although the number of speciality stores in the Central Business District declined substantially during the 1958-1967 period, most of the losses were among marginal, low-volume operations. As a result, average sales volumes per establishment actually increased between 1963 and 1967, a fact indicating the continued strength of key specialty stores in the Central Business District.

Table II-8. AVERAGE SALES PER SPECIALTY GOODS ESTABLISHMENT
BOSTON CENTRAL BUSINESS DISTRICT
1963 AND 1967

	Average Sales Per Store 1963	1967
Apparel and Accessory Stores		
Women's Clothing	$259.7	$332.8
Men's & Boy's Clothing	$353.1	$492.2
Family Clothing	$196.8	$484.0
Shoe Stores	$161.7	$182.9
Other Apparel-Accessory Stores	$ 48.2	$202.5
Furniture Stores		
Furniture Stores	$291.1	$431.2
Home Furnishing Stores	$103.2	$ 32.7
Household Appliances	$225.4	$357.5
Miscellaneous Retail Stores		
Liquor Stores	$280.2	$341.9
Sporting Goods	$145.3	$ 80.4
Jewelry Stores	$153.8	$184.5
Florists	$ 35.4	$ 70.4

Summary. Shopper's Goods Trends

The shopper's goods retail experience in the Boston Central Business District shows a trend toward retail dominance by major department stores and key specialty stores as the Central Business District's traditional capture of metropolitan shopper's goods expenditures continued to decline during the 1958-1967 period due to the increasing competition of suburban shopping centers. Despite this

suburban competition, Boston's Central Business District continued to be a highly attractive retail area with strong retailers -- both department and specialty stores -- increasing their sales volumes during the nine year period ending in 1967.

SHOPPER'S GOODS MARKET COMPOSITION

We have estimated the composition of the Boston Central Business District shopper's goods market for 1967 based upon interviews with persons involved in retailing in the Boston Central Business District, detailed analyses of retail experience in other comparable locations, and an examination of unpublished census data. The identified components of demand were then analyzed separately and total shopper's goods retail potentials for the Central Business District estimated for 1970, 1975, and 1980.

Market Composition

Four distinct market components, or purchaser groups, have been identified in the Boston Central Business District. These are: downtown office employees, city residents, suburban residents of the metropolitan area, and "inflow" or sales to persons who live beyond the Boston Metropolitan Area.

Table II-9. ESTIMATED COMPOSITION OF
BOSTON CENTRAL BUSINESS DISTRICT
SHOPPERS GOODS MARKET
1967

MARKET COMPONENT	SHOPPERS GOODS EXPENDITURES DOLLARS (IN MILLIONS)	PERCENT DISTRIBUTION
Core Office Employees 1/	$ 39.2	13.3%
City Residents 2/	$ 90.4	30.7%
Suburban Residents 2/	$128.5	43.6%
Non-Metropolitan Area Residents 3/	$ 36.8	12.4%
Total	$294.9	100.0%

1/ Includes estimated expenditures by city and subruban residents who are office employed in Downtown Boston.

2/ Excludes estimated expenditures by residents who are office employees in Downtown Boston.

3/ "Inflow" or sales to tourists, visitors and other persons who live outside of the Boston Metropolitan area.

Source: Estimated by Gladstone Associates from census data and interviews.

The largest volume of shopper's goods expenditures in the Central Business District in 1967 came from suburban residents shopping in the downtown. These suburban expenditures accounted for more than 40 percent of the CBD's shopper's goods sales. City residents accounted for an estimated $90 million of shopper's goods sales, while the combined expenditures of the downtown office employees and non-metropolitan area residents amounted to approximately $76 million.

Office Employee Purchases

Looking to the future, downtown office employees will become an increasingly important segment of demand for shopper's goods as

both the number of employees and employee incomes (and, thus, expenditures) continue to increase. Office employees traditionally shop during the mid-day, from 11 a.m. to 2 p.m., and immediately following work in the afternoon. Convenience is important, since shopping must be accomplished during a relatively narrow time span with most sales being generated by employees within a fifteen minute walk of the retail site. Relatively few sales are made to employees working more than 25 minutes from the retail site.

In 1967, we estimate the average annual expenditure of office employees in downtown was approximately $252.00 per employee based upon an examination of office employee salaries in Boston, shopper's goods expenditure propensities, and downtown retail sales patterns.

In 1970 shopper's goods expenditures in the Central Business District by downtown office employees increased to an estimated $293 per employee. This estimated gain was attributable to increases in wages which brought about higher levels of shopper's goods expenditures. Increased employee expenditures combined with major gains in office employment raised total expenditures from $39 million to an estimated $51 million.

Table II-10. ESTIMATED SHOPPER'S GOODS EXPENDITURES BY DOWNTOWN OFFICE EMPLOYEES IN BOSTON CENTRAL BUSINESS DISTRICT

(All dollar amounts in current dollars[1])

Year	Estimated Office Employment[2]	Average Employee Expenditure	Total Employee Expenditures in CBD (in millions)
1967	155,[illegible]	$252	$3[illegible]
1970	174,[illegible]	$293	$51.1
1975	20[illegible]	$3[illegible]	$[illegible]0.4
1980	[illegible]0,100	$40[illegible]	$[illegible]3.8

1/ [illegible] a 3.5 percent [illegible] annual inflation factor, 1970 to 1980.

2/ [illegible] office space in downtown, proposed office construction, and [illegible]

By 1980, aggregate downtown office employee expenditures should exceed $93 million based upon an estimated employment level of 230,000 office workers and an average annual employee expenditure of $405.

City Resident Expenditures

City residents spent an estimated $90 million for shopper's goods in the Central Business District in 1967, representing a capture of nearly 31.5 percent of their total shopper's goods expenditures during the year. Trends indicate, however, a decline in this capture rate due to strong competition from discount stores and other shopper's goods retailers located outside of the Central Business District.

In 1970, city residents spent an estimated $97 million for shopper's goods in the Central Business District. This high level of retail sales was brought about by increased income and aggregate shopper's goods expenditures which more than compensated for a modest decline in household population.

As noted in the Park Plaza Housing analysis (a companion report to this study), household incomes in Boston are expected to continue to increase during the decade of the 1970's. Assuming a continuation of the shopper's goods expenditure propensity evidenced during the 1960's, aggregate shopper's goods expenditures by Boston residents should total more than $410 million by 1975 and $500 million

by 1980. These estimated levels result in a potential Central Business District sales volume of approximately $115 million in 1975 and more than $135 million in 1980.

Table II-11. ESTIMATED SHOPPERS GOODS EXPENDITURES BY CITY RESIDENTS IN BOSTON CENTRAL BUSINESS DISTRICT

(All dollar amounts expressed in current dollars[1])

Year	Households	Total Shoppers Goods Expenditures (in millions)	Estimated Expenditures in CBD (in millions)
1967	219,800	$287.3	$90.4
1970	217,600	$323.9	$97.5
1975	217,300	$411.9	$115.3
1980	217,000	$500.5	$137.2

1/ Assumes an inflation factor of 3.5 percent annually during 1970-1980.

2/ Excludes the expenditures of city residents who work in downtown office buildings.

Source: Gladstone Associates

Suburban Resident Potentials

In 1967 approximately 14 percent of all suburban residents' shopper's goods expenditures were made in the city's Central Business District. Thus, the CBD captured approximately $128.5 million of shopper's goods expenditures originating in the suburban areas of metropolitan Boston. By and large, these expenditures were made in

the major department stores -- Jordan's and Filene's -- and strong specialty stores.

Although suburban shopping centers are becoming increasingly competitive and a declining share of suburban shopper's goods expenditures are coming to the Central Business District, 1970 sales to suburban residents accounted for nearly $135 million of shopper's goods volume in the Central Business District.

In addition to the strong attractiveness of the major department and key specialty stores in the Central Business District, a contributing factor in attracting suburban shopper's to the city has been other specialty stores located along Boylston and Newbury Streets in the Back Bay and the Lord and Taylor's store in the Prudential Center.

We estimate that the downtown could potentially attract more than $160 million in suburban shopper's goods expenditures in 1975, and more than $185 million in 1980. This estimate assumes that the downtown's capture of suburban shopper's goods expenditures will continue to decline at approximately the same rate as the downtown's capture of total metropolitan sales. In order to achieve these potentials, however, the downtown must remain competitive with suburban shopping centers.

The development of strong shopping nodes, such as the Prudential Center which contains Lord and Taylor's and Saks, will increase

the city's attractiveness to suburban shoppers, resulting in a strengthening of downtown retail potentials. To this end, the development of the Park Plaza retail complex could enhance the city's competitive position vis-a-vis suburban shopping centers by creating a specialty goods retail complex which acts as a retail link between the Back Bay and the Central Business District.

Table II-12. ESTIMATED SUBURBAN RESIDENTS SHOPPERS GOODS EXPENDITURES IN BOSTON CENTRAL BUSINESS DISTRICT

(All amounts in current dollars[1])

	Total Suburban Shopper's Goods Expenditures (in millions)	Boston Central Business District Expenditures Capture Rate (Percent)	Sales Volume (in millions)
1967	$ 914.5	14.0%	$128.5
1970	$1,09[illegible].7	12.4%	$136.9
1975	$1,760.3	9.2%	$161.3
1980	$2,3[illegible]1.9	7.7%	$184.8

1/ Assumes an inflation factor of 3.5 percent annually during 1970-1980.
2/ Excludes sales to residents working in Downtown offices.

Source: Gladstone Associates

Downtown Potentials

The estimated shopper's goods expenditures for 1967 and 1970 and potential expenditures for 1975 and 1980, are summarized by market components in Table II-13. As evidenced by these data, we anticipate

that the office employee component of the market will become increasingly strong during the 1970's and by 1980, will account for more than 20 percent of downtown's shopper's goods sales.

The number of dollars spent in downtown by city residents will continue to increase during the decade as incomes and total expenditures continue to rise. Throughout the decade, however, city residents are estimated to account for a relatively stable share -- approximately 30 percent -- of the downtown's shopper's goods volumes.

Sales attributable to suburban residents and persons living outside of metropolitan Boston could increase from $177 million in 1970 to $235 million in 1980, despite a modest decline in the market share accounted for by these components.

Table II-12. ESTIMATED SHOPPERS GOODS EXPENDITURES
BY MARKET COMPONENT
BOSTON CENTRAL BUSINESS DISTRICT AND POTENTIALS

(All amounts estimated in current dollars[1])

Market Component	ESTIMATED SALES (IN MILLIONS) 1967	1970	1975	1980	PERCENT DISTRIBUTION 1967	1970	1975	1980
Core Office Employees[2]	$ 39.2	$ 51.1	$ 70.4	$ 93.8	13.3%	15.7%	18.0%	20.1%
City Residents[3]	$ 90.4	$ 97.5	$115.3	$137.2	30.7%	30.0%	29.4%	29.4%
Suburban Residents[3]	$128.5	$136.9	$161.3	$184.8	43.6%	42.0%	41.1%	34.7%
Inflow[4]	$ 36.8	$ 40.5	$ 45.2	$ 50.1	12.4%	12.3%	11.5%	10.8%
Total	$274.9	$326.0	$392.2	$465.9	100.0%	100.0%	100.0%	100.0%

1/ Assumes an inflation factor of 3.5 percent annually during 1970-1980.

2/ Includes estimated expenditures of city and suburban residents who work in offices in downtown area.

3/ Excludes purchases by residents who work in downtown offices.

4/ Sales to persons not living in metropolitan Boston.

Source: Gladstone Associates

It should be emphasized that the 1975 and 1980 sales estimates represent potentials available to the downtown. These estimates assume that the downtown remains competitive with existing and emerging suburban shopping facilities and, thus, can continue to attract retail expenditures from upper income city residents and office employees, as well as suburban residents and persons who live outside of metropolitan Boston.

SECTION III.

SITE POTENTIALS

SECTION III. SITE POTENTIALS

This section examines the retail potentials of the Park Plaza site. As in the preceeding section, the emphasis is upon shopper's goods opportunities since this category of retail sales is critical to the development of the proposed complex. The market analysis for the Park Plaza site specifically examines the major components of demand evidenced in the downtown retail market.

Market Overview

The Park Plaza site is well located to tap the previously identified market segments -- downtown office employees, city residents, suburban shoppers, and persons living outside the Boston metropolitan area.

Accessability is good via MBTA Subway and private transportation, and the site is within walking distance from major downtown office employment centers. Linkages to the suburban areas are strong with nearby connections to the Massachusetts Turnpike serving the wealthier western suburbs and the Fitzgerald Expressway connecting the city with the northern and southern suburbs via the Southeast and Northeast Expressways.

As a major specialty shopper's goods complex, Park Plaza will link the downtown's better department and specialty stores, such as Filene's, with the Back Bay-Prudential Center specialty retail area which contains Bonwit's, Lord and Taylor, and Saks. The development of the Park Plaza will further increase the overall attractiveness of Boston as specialty goods retail center and the Park Plaza complex will benefit from the overall improved competitive retail position of downtown with the metropolitan area.

In order to attract a significant volume of suburban retail expenditures, Park Plaza should create a unique retail climate by offering a range of quality shopper's goods not found in competitive suburban shopping centers. Thus, we recommend that complex contain a variety of specialty stores and boutiques anchored by a major specialty department store not presently serving Metropolitan Boston. (Illustrative of the type of specialty department store envisioned might be a Neiman-Marcus, Bergdorf, Bloomingdale, or B. Altman facility). In addition, several large, name specialty shops should be included in the complex.

An illustrative retail mix for the Park Plaza site, Table III-1, shows approximately 330 to 395 thousand square feet of shopper's goods space with an additional 75 to 120 thousand square feet of convenience

Table III-1. ILLUSTRATIVE RETAIL MIX
PARK PLAZA SITE

Store Type	Possible Space Requirements (leasable square feet)
Major Specialty Department Store	100,000 - 120,000 s.f.
Large Specialty Retailers	80,000 - 100,000 s.f.
Apparel Stores: Men's Wear, Women's Wear Specialty Shops, Furs, Shoes, Bridal, Fashion, etc.	70,000 - 80,000 s.f.
Miscellaneous Specialty Retailers: Luggage, Jewelry, Music, Books, Camera, Imports, Antiques, etc.	45,000 - 50,000 s.f.
Furniture	40,000 - 45,000 s.f.
Subtotal	(335,000)-(395,000) s.f.
Convenience: Drugs, Specialty Foods, Wine & Cheese, Tobacco, Candy, Florists, Personal Services, etc.	35,000 - 45,000 s.f.
Miscellaneous Services: Banks, Stock-brokerage, Savings & Loan, Decorator, Travel, etc.	15,000 - 25,000 s.f.
Restaurants and Cinemas	25,000 - 50,000 s.f.
Subtotal	(75,000)-(120,000) s.f.
Total	410,000 - 515,000 s.f.

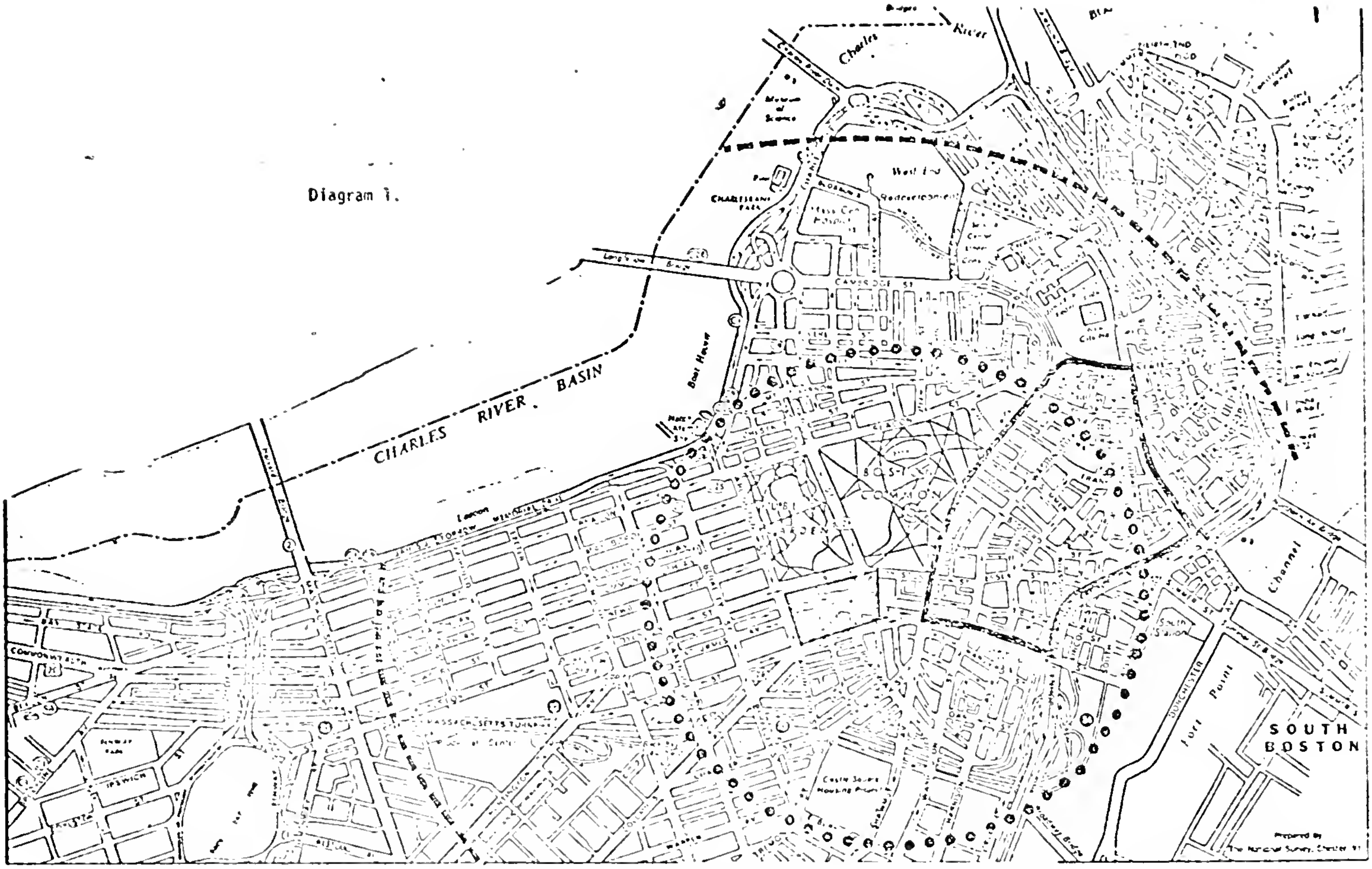
and service facilities. This mix, we believe, would provide a highly competitive retail complex which could attract upper income city and suburban residents as well as downtown office employees and persons living outside of the Metropolitan Boston area.

The specific market support for such a retail complex is identified in the balance of this section. Emphasis is given to the retail potentials of upper income city and suburban residents since these shoppers would be most likely to be attracted to the Park Plaza Retail facility.

Downtown Office Employees

In analyzing the sales potential attributable to downtown office employees, we have defined two general trade areas -- a primary and secondary area. The primary area includes office employees located within 10 to 15 minutes of the site, while the secondary area includes employees whose offices are within a 20 to 25 minute distance from the site.

Diagram 1.



RETAIL TRADE AREAS
PARK PLAZA SITE

- Site
- Boston CBD
- Primary Employee Area
- Secondary Employee Area

Potential office employee expenditures for shopper's goods at the Park Plaza complex are summaried in Table III-2. These potentials assume the total level of expenditures for 1975 and 1980 noted in the preceding section.

Specific site captures have been applied to the estimated total expenditure levels resulting in a potential level of shopper's goods sales at Park Plaza of $7 million in 1975, and more than $9 million by 1980 to downtown office employees. The estimated capture rates are based upon our judment and are realistic for a highly attractive specialty goods retail complex at the Park Plaza site which contains a major department store and several major specialty retailers in addition to numerous specialty shops and boutiques.

Table III-2. ESTIMATED POTENTIAL SHOPPERS GOODS EXPENDITURES AT PARK PLAZA BY DOWNTOWN OFFICE EMPLOYEES

(All amounts estimated in current dollars[1/])

	1975			1980		
	Primary Market	Secondary Market	Total	Primary Market	Secondary Market	Total
Estimated Employment [2/]	48,000	156,600	204,600	51,900	178,200	230,100
Estimated Shoppers Goods Expenditures (in millions)	$16.6	$53.8	$70.4	$21.2	$72.6	$93.8
Site Capture (per cent)	15%	8.5%	---	15%	8.5%	---
Park Plaza Potential (in thousands)	$2,490	$4,570	$7,060	$3,180	$6,170	$9,350

1/ Assumes an inflation factor of 3.5 percent annually during 1970-1980.

2/ Based upon known office space being developed in Downtown and estimated future development.

Source: Gladstone Associates

Upper Income City Residents

The estimated retail potential arising from site residents and other upper income groups living in the city total nearly $13.5 million in 1975, and more than $20 million in 1980. This estimate, Table III-3, is based upon an analysis of upper income households, shopper's goods expenditures, and an estimated capture of the identified total shopper's goods expenditures.

TABLE III-3

ESTIMATED POTENTIAL SHOPPERS GOODS EXPENDITURES
AT PARK PLAZA
BY UPPER INCOME CITY RESIDENTS

(All dollar amounts expressed in current dollars[1/])

	1975			1980		
	Upper Income Households	Site Residents	Total	Upper Income Households	Site Residents	Total
Number of Households[2/]	78,130	400	78,430	106,910	1,600	103,510
Estimated Total Shoppers Goods Expenditures (in millions)	$264.4	$1.7	$266.1	$380.0	$7.8	$387.8
Site Capture (percent)	5%	15%	---	5%	15%	---
Park Plaza Potential (in thousands)	$13,200	$250	$13,450	$19,000	1,150	$20,150

1/ Assumes an average annual inflation factor of 3.5 percent.
2/ Households earning in excess of $15,000 annually.
Source: Gladstone Associates

By 1975 there will be approximately 78,500 households with annual incomes in excess of $15,000 living in Boston. This number is

expected to increase to more than 108,500 by 1980, with aggregate shopper's goods expenditures increasing from $266.1 million in 1975 to $387.8 million by 1980.

The estimate of aggregate shopper's goods expenditures is based upon an analysis of upper income households by income category and retail expenditure patterns noted during the 1960's. A detailed income analysis of these families is presented in the Appendix to this report and the background demographic data concerning population and households in Boston is set forth in the Park Plaza residential market analysis.

The potential site capture of 5 percent of all shopper's goods expenditures by upper income households and 15 percent of all site residents shopper's goods expenditures appears reasonable in our judgment. This potential capture reflects the site's excellent location vis-a-vis this market segment and the strong attractiveness of a unique quality specialty goods complex at the site.

Upper Income Suburban Residents

Potential retail expenditures of upper income suburban residents at the Park Plaza Retail Complex are estimated to total $17.5 million in 1975 and $21.3 million in 1980. This estimate assumes a site capture equivalent to 15 percent of the residents potential expenditures in the downtown.

As was the case for upper income suburban residents, total shopper's goods expenditures have been estimated based upon a demographic analysis of the area. A detailed analysis of households by income class is included in the Appendix of this report.

Table III-4. ESTIMATED POTENTIAL SHOPPERS GOODS EXPENDITURES AT PARK PLAZA BY UPPER INCOME SUBURBAN RESIDENTS

(All dollar amounts estimated in current dollars 1/)

	1975	1980
Number of Households 2/	359,650	501,260
Estimate Total Shoppers Goods Expenditures (in millions)	$1,262.7	$1,842.8
Estimate Expenditures in Downtown Boston (in millions)	$ 116.2	$ 141.9
Estimate Potential Site Capture 3/	15%	15%
Park Plaza Potential (in thousands)	$17,500	$21,300

1/ Assumes an average annual inflationary factor of 3.5 percent.
2/ Includes families earning in excess of $15,000 annually.
3/ Site capture equivalent to 15 percent of expenditures in downtown.

Source: Gladstone Associates

Market Summary

The previously identified market potentials together with "inflow" produce an estimated total shopper's goods retail volume at the

proposed Park Plaza complex of $42.9 million in 1975 and $57 million in 1980. These retail potentials are sufficient to support 338,000 square feet of shopper's goods space in 1975, and 395,000 square feet of space in 1980, at relatively high productivity levels averaging $127 per square foot in 1975, and $145 in 1980.

The major source of demand at the Park Plaza complex is anticipated to be upper income suburban residents who are expected to account for nearly 40 percent of the estimated potential sales. Upper income city residents, including site residents, should account for nearly 35 percent of all sales in 1980, with downtown office employees purchases representing approximately 15 percent of the Park Plaza volume. The development of additional office space in the vicinity of the site could increase potential demand from office employees above that noted here.

Table III-5. SUMMARY OF SHOPPER'S GOODS SALES POTENTIALS AT PARK PLAZA SITE

(All dollar amounts estimated in current dollars 1/)

Market Component	1975 Estimated Sales Potentials (in thousands)	1975 Supportable 2/ Retail Space (Leasable Sq. Ft.)	1980 Estimated Sales Potentials (in thousands)	1980 Supportable 2/ Retail Space (Leasable Sq. Ft.)
Core Office Employees 3/	$ 7,050	55,000 s.f.	$ 9,350	65,000 s.f.
Upper Income City Residents 4/	$13,200	103,000 s.f.	$19,000	131,000 s.f.
Site Residents	$ 250	2,000 s.f.	$ 1,150	8,000 s.f.
Upper Income Suburban Residents	$17,500	137,000 s.f.	$21,300	148,000 s.f.
Inflow 5/	$ 4,900	38,000 s.f.	$ 6,200	43,000 s.f.
Total	$42,900	335,000 s.f.	$57,000	395,000 s.f.

1/ Assumes an annual 3.5 percent inflationary factor during 1970-1980 period.

2/ Estimated at approximately $127/sq.ft. in 1975 (major tenant with 31% of space at $110/sq.ft. specialty stores with 69% of space $135/sq.ft.) increasing to an average of $145/sq.ft. in 1980.

3/ Includes estimated purchases by city and suburban residents who are employed in downtown office buildings.

4/ Excludes expenditures attributable to office employees.

5/ Sales to persons who live outside of Metropolitan Boston.

Source: Gladstone Associates.

Inflow or sales to persons who live outside Metropolitan Boston has been estimated at the same rate as downtown Boston. While this represents a realistic projection, it is possible that a highly attractive retail complex contianing a famous specialty department store could increase the level of inflow from just over 10 percent of total sales to nearly 15 percent of sales by attracting a larger number of shoppers from outside the metropolitan area.

APPENDICES

Appendix I

HOUSEHOLD INCOME TRENDS
CITY OF BOSTON
1960 - 1980

Income Category in Current Dollars 1/	1960 Number	1960 Percent	1970 Number	1970 Percent	1975 Number	1975 Percent	1980 Number	1980 Percent
Under $ 3,000	65,610	29.2%	35,470	16.3%	26,290	12.1%	20,180	9.3%
$ 3,000 - $ 4,000	24,480	10.9%	11,750	5.4%	8,890	4.1%	7,730	3.6%
$ 4,000 - $ 5,000	25,620	11.4%	11,320	5.2%	8,690	4.0%	7,450	3.4%
$ 5,000 - $ 6,000	26,070	11.6%	12,400	5.7%	8,580	3.9%	6,890	3.2%
$ 6,000 - $ 7,000	20,450	9.1%	14,150	6.5%	8,490	3.9%	6,750	3.1%
$ 7,000 - $ 8,000	17,530	7.8%	14,800	6.8%	9,560	4.4%	6,620	3.1%
$ 8,000 - $ 9,000	9,660	4.3%	29,160	13.4%	21,300	9.8%	13,240	6.1%
$10,000 - $15,000	21,040	8.6%	47,660	21.9%	47,370	21.8%	41,230	19.0%
$15,000 - $20,000	7,580	3.1%	20,890	9.6%	32,600	15.0%	35,150	16.2%
$20,000 - $25,000	1,940	0.8%	8,270	3.8%	16,950	7.8%	25,170	11.6%
More than $25,000	4,720	2.1%	11,730	5.4%	28,580	13.2%	46,590	21.4%
Total	224,700	100.0%	217,600	100.0%	217,300	100.0%	217,000	100.0%
Median Household Income:	$ 4,870		$ 8,610		$11,480		$15,055	

1/ 1975 and 1980 forecasts assume a 3.5 percent average annual inflation factor.

Source: U.S. Census, Office of Business Economics.
Gladstone Associates.

Appendix II

HOUSEHOLD INCOME TRENDS
SUBURBAN PORTION OF METROPOLITAN AREA
1960 - 1980

Income Category in Current Dollars 1/	1960		1970		1975		1980	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $ 3,000	86,240	15.8%	57,370	8.9%	46,760	6.8%	39,060	5.3%
$ 3,000 - $ 4,000	39,300	7.2%	20,060	3.1%	15,820	2.3%	13,270	1.8%
$ 4,000 - $ 5,000	51,850	9.5%	20,500	3.2%	16,500	2.4%	13,820	1.9%
$ 5,000 - $ 6,000	62,770	11.5%	22,840	3.6%	17,200	2.5%	14,250	1.9%
$ 6,000 - $ 7,000	59,490	10.9%	24,540	3.8%	17,200	2.5%	15,100	2.0%
$ 7,000 - $ 8,000	46,940	8.6%	29.050	4.5%	19,700	2.9%	15,780	2.1%
$ 8,000 - $10,000	65,500	12.0%	89,480	14.0%	42,890	6.2%	28,750	3.9%
$10,000 - $15,000	82,960	15.2%	174,140	27.1%	151,980	22.1%	95,810	13.0%
$15,000 - $20,000	27,830	5.1%	82,270	12.8%	132,730	19.3%	148,880	20.2%
$20,000 - $25,000	9,280	1.7%	51,050	8.0%	74,270	10.8%	98,760	13.4%
More than $25,000	13,640	2.5%	71,250	11.0%	152,650	22.2%	253,620	34.5%
Total	545,800	100.0%	642,100	100.0%	687,700	100.0%	737,000	100.0%
Median Household Income:	$ 6,510		$11,640		$15,520		$19,475	

1/ 1975 and 1980 forecasts assume 3.5 percent average annual inflation factor.

Sources: U.S. Census, Office of Business Economics.
Gladstone Associates.

Appendix III

UPPER INCOME FAMILY TRENDS METROPOLITAN BOSTON

1970 - 1980

Income Class in Current Dollars 1/	City of Boston: Number of Households 1970	1975	1980	Average Annual Change 1970-1980	Suburban Boston: Number of Households 1970	1975	1980	Average Annual Change 1970-1980
\$15,000 - \$20,000	20,890	32,600	35,150	1,420	82,270	132,730	148,280	6,660
\$20,000 - \$25,000	8,270	16,950	25,170	1,690	51,050	74,270	98,760	4,770
More Than \$25,000	11,730	28,580	46,590	3,490	71,250	152,650	253,620	18,240
Total More than \$15,000	40,890	78,130	106,910	6,600	204,570	359,650	501,260	29,670

1/ 1975 and 1980 forecasts assume a 3.5 percent average annual inflation factor.

Sources: U.S. Census, Office of Business Economics.
Gladstone Associates.